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July 16, 2012

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Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

AZ CORP COMMISSION
DOCKET CONTROL

**RE: Citizens Utilities Rural Company, Inc. d/b/a Frontier Citizens Utilities Rural
T-01954B-11-0452 - VoIP-PSTN Traffic - Amendment**

Dear Corporation Commissioners and Staff:

Enclosed please find an original and thirteen copies of the amended tariff filing for Citizens Utilities Rural Company, Inc. d/b/a Frontier Citizens Utilities Rural (Frontier) for review and approval.

The purpose of this amended filing is to include a mechanism to address VoIP-PSTN traffic that the Company's end-user customers originate or terminate in IP format as recommended in Staff's Memorandum and Proposed Order dated July 2, 2012. As previously noted in our May 10, 2012 amended filing, the Company does not currently provide retail VoIP services.

The amendment and letter provide the conditions necessary to approve Frontier's tariffs.

An additional copy of this filing is also enclosed. Please stamp this copy received and return it in the enclosed stamped, self-addressed envelope.

Please return approved stamped tariff sheets to:

Frontier Communications
Linda Saldaña
9260 E. Stockton Blvd.
Elk Grove, CA 95624

Please direct any questions or notifications of action taken on this tariff filing to Kirk Lee at (425) 261-5855.

Sincerely,

R. Kirk Lee
Manager, Government & External Affairs

RKL: jac
Enclosures

Arizona Corporation Commission
DOCKETED

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ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

2.3.11 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

(N)

(A) Scope (Cont'd)

- (2) This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for Relevant VoIP-PSTN Traffic in accordance with the FCC Order.

(B) Rating of VoIP-PSTN Traffic

The Relevant VoIP-PSTN Traffic identified in accordance with this tariff section will be billed at rates equal to the Telephone Company's applicable tariffed interstate switched access rates as specified in the Telephone Company's applicable Federal Access Tariff.

(C) Calculation and Application of Percent-VoIP-Usage Factor

The Telephone Company will determine the number of Relevant VoIP-PSTN Traffic minutes of use ("MOU") to which interstate rates will be applied under subsection (B), above, by applying a Percent VoIP Usage ("PVU") factor to the total intrastate access MOU exchanged with the Telephone Company from the customer. The PVU will be derived and applied as follows:

- (1) The customer will calculate and furnish to the Telephone Company a factor (the "PVU-C") representing the percentage of the total intrastate access MOU that the customer exchanges with the Telephone Company in the State, that is sent to the Telephone Company and that originated in IP format, or is received from the Telephone Company and terminated in IP format. This PVU-C shall be based on information such as traffic studies, actual call detail, or other relevant and verifiable information.
- (2) The Telephone Company will, likewise, calculate a factor (the "PVU-T") representing the percentage of the Telephone Company's total intrastate access MOU in the State that the Telephone Company originates or terminates on its network in IP format. This PVU-T shall be based on information, such as the number of the Telephone Company's retail VoIP subscriptions in the state, traffic studies, actual call detail, or other relevant and verifiable information.

(N)

ACCESS SERVICE

2. General Regulations (Cont'd)

2.3 Obligations of the Customer (Cont'd)

2.3.11 Identification and Rating of VoIP-PSTN Traffic (Cont'd)

(N)

(C) Calculation and Application of Percent-VoIP-Usage Factor

- (3) The Telephone Company will use the PVU-C and PVU-T factors to calculate a PVU factor that represents the percentage of total intrastate MOU exchanged between a Telephone Company end user and the customer that is originated or terminated in IP format, whether at the Telephone Company's end, at the customer's end, or at both ends. The PVU factor will be calculated as the sum of: (A) the PVU-C factor and (B) the PVU-T factor times (1.0 minus the PVU-C factor).
- (4) The Telephone Company will apply the PVU factor to the total intrastate access MOU exchanged with the customer to determine the number of Relevant VoIP-PSTN Traffic MOUs.
- (5) If the customer does not furnish the Telephone Company with a PVU pursuant to the preceding paragraph 1, the Telephone Company will utilize a PVU equal to the PVU-T.

(D) Initial PVU Factor

If the PVU factor is not available and/or cannot be implemented in the Telephone Company's billing systems by February 15, 2012, once the factor is available and can be implemented the Telephone Company will adjust the customer's bills to reflect the PVU retroactively to February 15, 2012. This retroactive adjustment will be made to February 15, 2012, provided that the customer provides the factor to the Telephone Company no later than April 15, 2012; otherwise, it will set the initial PVU equal to zero, as specified in subsection (C)(1), preceding.

(E) PVU Factor Updates

The customer may update the PVU factor quarterly using the method set forth in subsection (C)(1), above. If the customer chooses to submit such updates, it shall forward to the Telephone Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised PVU factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

(F) PVU Factor Verification

Not more than four times in any year, the Telephone Company may ask the customer to verify the PVU factor furnished to the Telephone Company. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the PVU factors.

(N)